

## EXHIBIT F

### INSURANCE REQUIREMENTS

#### I. INSURANCE REQUIREMENTS

The Concessioner shall obtain and maintain during the entire term of this CONTRACT, at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of the CONTRACT.

All insurance coverage provided for the benefit of, or evidenced to the National Park Service is not to be impaired by any act of the Concessioner, its agents, servants or employees. The concessioner shall ensure that the National Park Service, solely for its benefit, be provided ***an unconditional 30 day advance*** notice of cancellation, non-renewal or material change in coverage or policy terms for all coverage issues.

The amounts of insurance, limits of liability and coverage terms ***indicated are not intended as a limitation*** of the Concessioner's responsibility or liability under the agreement, but rather an indication as to the minimum type(s), amount(s), and scope of insurance that the National Park Service considers necessary to allow the operation of the concession at its park. Nevertheless, if the concessioner purchases insurance in addition to the limits illustrated herein, the National Park Service is to receive benefit of the additional amounts of insurance without additional cost to the National Park Service.

#### II. LIABILITY INSURANCE

The following Liability Coverages are to be maintained at a minimum, all of which, unless noted herein, are to be written on an occurrence form of coverage.

##### A. Commercial General Liability Insurance

- 1) Coverage will be provided for bodily injury, property damage, contractual liability, personal or advertising injury liability (including contractual liability arising out of personal injury and advertising injury liability) and products/completed operations liability insurance protection.

##### **Bodily Injury and Property Damage Limit**

(1) General Aggregate	\$5,000,000
(2) Products & Completed Operations Aggregate	\$5,000,000
(3) Per Occurrence	\$1,000,000
(4) Personal Injury & Advertising Injury Liability	\$1,000,000
(5) Medical Payments	\$5,000
(6) Fire Damage Legal Liability "per fire"	\$50,000

2) **The liability coverages may not contain the following exclusions/limitations:**

- (a) Athletic or Sports Participation
  - (b) Products/Completed Operations
  - (c) Personal Injury or Advertising Injury exclusion or limitation
  - (d) Contractual Liability limitation (must specifically reference the NPS contract #)
  - (e) Explosion, Collapse and Underground Property Damage exclusion
  - (f) Watercraft limitations affecting the use of watercraft in the course of the Concessioner's operations (unless separate Watercraft coverage is maintained)
- 3) Pollution liability insurance coverage must be included for damages resulting from smoke, fumes, vapor or soot, or other contaminants from a hostile fire.
- 4) If the policy insures more than one location, the General Aggregate limit must be amended to apply separately to each location, or, at least, separately to the appropriate NPS location(s).

**B. Automobile Liability Insurance**

Coverage will be provided for bodily injury or property damage arising out of the ownership, maintenance or use of "any auto," Symbol 1. (Where there are no owned autos, coverage applicable to "hired" and "non-owned" autos, "Symbols 8 & 9," shall be maintained.)

**Bodily Injury and Property Damage (combined):** \$5,000,000 per occurrence/accident.

**C. Liquor Liability**

[This section has been intentionally removed as it is not applicable to this Contract]

**D. Watercraft Hull & Liability (or Protection & Indemnity – including members of the Crew)**

[This section has been intentionally removed as it is not applicable to this Contract]

**E. Aircraft Liability**

[This section has been intentionally removed as it is not applicable to this Contract]

**F. Garage Liability**

[This section has been intentionally removed as it is not applicable to this Contract]

**G. Environmental Impairment Liability**

Coverage will be provided for bodily injury, personal injury or property damage arising out of pollutants or contaminants (on site and/off site).

<b>Each Occurrence or Each Claim Limit</b>	<b>Same as general liability limits</b>
<b>Aggregate Limit</b>	<b>Same as general liability limits</b>

**H. Excess Liability or Excess “Umbrella” Liability Bodily Injury/Personal Injury & Property Damage Combined:**

As an option, the concessioner may purchase an excess liability/umbrella insurance policy to satisfy the required limits of liability under the concessioner. If this approach is used the umbrella/excess policy form must comply with the following requirements:

- 1) The limit of liability or sub-limit of liability can be no less than the limit of liability required for each coverage part under this exhibit.
- 2) The inception dates of the underlying policies and the excess policy must be identical. A copy of the excess or umbrella policy’s schedule of underlying insurance must be included as part of the Certificate of Insurance submitted to the NPS.
- 3) The coverage provided by the policy shall be at least as broad as that provided by the underlying insurance policies outlined on the schedule of underlying insurance.
- 4) If the limits of liability afforded by the excess or umbrella policy result in limits of liability greater than the limits required within the individual sections hereunder, then the greater limit shall be available to the NPS.

**I. Special Provisions for Use of Aggregate Policies**

If at any time the aggregate limit of any required policy is (or if it appears that it will be) reduced or exhausted, the Concessioner may be required to reinstate such limit or purchase additional coverage limits. The General Aggregate under the Commercial General Liability policy must apply on a “per location” basis. The Certificate of Insurance required herein will note compliance with this aggregate provision.

**J) Self-Insured Retentions**

Self-insured retentions on any of the above described Liability insurance policies (other than Excess "Umbrella" Liability, if maintained) may not exceed \$10,000 without prior approval of the Director.

**K) Workers Compensation & Employers' Liability**

Coverage will comply with the statutory requirements of the state(s) in which the Concessioner operates. The States of concession operations must be specifically included for coverage under the policy.

**III. PROPERTY INSURANCE****A) Building(s) and/or Contents Coverage**

- 1) Amount of Insurance (Building) 100% of replacement value (without deduction for physical depreciation)
- 2) Amount of Insurance (Contents) 100% of replacement value (without deduction for physical depreciation )
- 3) Amount of Insurance (Inventory) 100% replacement Value (without deduction for physical depreciation)
- 4) Insurance shall cover buildings, structures, improvements & betterments and/or contents for all Concession Facilities, as more specifically described in Exhibit C of this CONTRACT.
- 5) Coverage shall apply on an "All Risks" or "Special Coverage" basis.
- 6) The policy shall provide for loss recovery on a Replacement (without deduction for physical depreciation) value basis.
- 7) "Blanket Amount" insurance is preferred. The amount of insurance (limit of liability) should represent no less than 100% of the Replacement value of the sum total of all insured property.
- 8) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
- 9) Coverage is to be provided on a blanket basis, real and personal property.
- 10) The vacancy and unoccupancy restriction, if any, must be eliminated for property that will be vacant or unoccupied beyond any time period specified in the policy.
- 11) Earthquake Coverage shall be maintained at the maximum limit available not to exceed 100% replacement value.
- 12) Ordinance or Law, demolition and increased cost of construction Coverage shall be maintained with a limit of not less than the building replacement value.

**B) Boiler & Machinery Coverage**

- 1) Insurance shall apply on the “comprehensive” basis of coverage including all objects within the Concession Facilities. Production equipment is to be included if applicable.
- 2) The policy shall provide for loss recovery on a replacement value (without deduction for physical depreciation) basis.
- 3) The amount of insurance should represent no less than 90% of the Replacement value (without deduction for physical depreciation) of the sum total of all insured property.
- 4) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
- 5) Coverage is to be provided on a blanket basis.
- 6) If insurance is written with a different insurer than the Building(s) and Contents insurance, both the Property and Boiler insurance policies must be endorsed with a joint loss agreement.
- 7) Ordinance or Law, demolition and increased cost of construction Coverage shall be maintained with a limit of not less than the building replacement costs.

**C) Builders Risk Coverage (Only required for new construction or major renovations)**

[This section has been intentionally removed as it is not applicable to this Contract]

**D) Business Interruption and/or Expense (If Applicable)**

- 1) Business Interruption insurance and extra expense insurance is to cover the loss of income and continuation of fixed expenses in the event of damage to or loss of Concession Facilities or any property supporting the Concession operations, including, without limitation and with respect to the interests of the National Park Service, the loss (or reduction) of franchise fee payments to the National Park Service by the Concessioner. Extra Expense insurance shall cover the extra expenses above normal operating expenses to continue operations in the event of damage or loss to covered property. The coverage to be provided may be calculated as follows:

Anticipated annual Gross revenue from operations	\$ _____
Less non-continuing expenses	(\$ _____)
Business Interruption limit	\$ _____
Business Interruption limit	\$ _____

**E) Deductibles**

Property Insurance coverages described above may be subject to deductibles as follows:

- 1) Direct Damage deductibles shall not exceed the lesser of 10% of the amount of insurance or \$25,000 (except Earthquake coverage may be subject to deductibles not exceeding \$50,000).
- 2) Extra Expense deductibles (when coverage is not combined with Business Interruption) shall not exceed \$25,000.

#### **F) Required Clauses**

##### **1) Loss Payable Clause:**

A loss payable clause similar to the following must be added to Buildings and/or Contents, Boiler and Machinery:

“In accordance with Concession Contract No. CAVE001 dated \_\_\_\_\_, between the United States of America and [*the Concessioner*] payment of insurance proceeds resulting from damage or loss of structures insured under this policy is to be disbursed directly to the Concessioner without requiring endorsement by the United States of America.”

#### **IV. CONSTRUCTION PROJECT INSURANCE**

[This section has been intentionally removed as it is not applicable to this Contract]

#### **V. INSURANCE COMPANY MINIMUM STANDARDS**

All insurance companies providing the above described insurance coverages must meet the minimum standards set forth below:

- 1) All insurers for all coverages must be rated no lower than A- by the most recent edition of Best's Key Rating Guide (Property-Casualty edition).
- 2) All insurers for all coverages must have a Best's Financial Size Category of at least VII according to the most recent edition of A.M. Best's Key Rating Guide (Property-Casualty edition).
- 3) All insurers must be admitted (licensed) or approved to do business in the state in which the concession operation(s) is located.

#### **VI. CERTIFICATES OF INSURANCE**

All certificates of Insurance required by this CONTRACT shall be completed in sufficient detail to allow easy identification of the coverages, limits, and coverage amendments that are described above. In addition, the insurance companies must be accurately listed along with their A.M. Best Identification Number (“AMB#”). The name, address and telephone number of the issuing insurance agent or broker must be clearly shown on the certificate of insurance as well.

Due to the space limitations of most standard certificates of insurance, it is expected that an addendum will be attached to the appropriate certificate(s) in order to provide the space needed to show the required information.

In addition to providing certificates of insurance, the Concessioner, upon written request of the Director, shall provide the Director with a complete copy of any of the insurance policies (or endorsements thereto) required herein to be maintained by the Concessioner.

**The Certificate of Insurance shall contain a notation that the insurance coverage represented therein complies with the provisions of this agreement as outlined in Exhibit F.**

The **notice of cancellation provision** of the certificate shall have any and all qualifying language such as: *“We will endeavor to provide”* or *“failure to provide said notice will not place any liability upon the company or its representative”* deleted from its terms.

## **VI. STATUTORY LIMITS**

In the event that a statutorily required limit exceeds a limit required herein, the higher statutorily required limit is to be considered the minimum to be maintained. In the event that the statutorily required limit is less than the limits required herein, the limits required herein shall prevail.

